

THE OHIO STATE UNIVERSITY
OFFICIAL PROCEEDINGS OF THE
ONE THOUSAND THREE HUNDRED AND TWENTIETH MEETING
OF THE BOARD OF TRUSTEES

Columbus, Ohio, February 29, 1996

The Board of Trustees met at its regular monthly meeting on Thursday, February 29, 1996, at The Ohio State University Fawcett Center for Tomorrow, Columbus, Ohio, pursuant to adjournment.

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Minutes of the last meeting were approved.

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February 29, 1996 meeting, Board of Trustees

The Chairman, Ambassador Wolf, Ph.D., called the meeting of the Board of Trustees to order on February 29, 1996, at 10:45 a.m. He requested the Secretary to call the roll.

Present: Milton A. Wolf, Chairman, Leslie H. Wexner, Alex Shumate, Theodore S. Celeste, Michael F. Colley, George A. Skestos, David L. Brennan, James F. Patterson, Zuheir Sofia, Thomas C. Smith, and Holly A. Smith.

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PRESIDENT'S REPORT

President Gee:

Ladies and gentlemen, welcome. I am sorry that we had a few minutes delay, but this is a very busy time for the university. I must say that I am not sure of the significance of meeting on Leap Day. But I suspect that in the university's 125-year history, this will be one of the few, if only, known occasions in which we have met on February 29!

Despite the fact that this is our second meeting of the month, I do have several items of university news to call to your attention. This week I had the opportunity to recognize long-time employees at the university. More than 350 faculty and staff who have worked for Ohio State for 25, 30, 35, and 40 years were honored at the Faculty and Staff Service Recognition Brunch.

Three people each celebrated 40 years of service. They have survived five university presidents! As I told them, when they started at Ohio State Ike was in the White House, Elvis was in demand, and I was in the 7th grade!

The long-service of these exceptional people is certainly worthy of our commendation. I might point out that among those honored for 30-years of service was Dan Heinlen, president and CEO of the Alumni Association. Dan does an exceptional job leading our more than 300,000 living alumni. But I might just point out -- and Dan is in the audience -- that when he became the head of our Alumni Association, I was still an undergraduate student.

Today you have on the agenda the appointment of one of our graduates, Colleen O'Brien, as Director of State Relations. Her substantial experience in state government will serve the university well. And, I might note -- and Kevin you are here -- it is reassuring to see that a former Student Government President turned out so well!

The 1996 Economic Impact Report was released earlier this month. Prepared by the School of Public Policy and Management under the direction of Professor Lee Walker, the study looked at the university's impact on spending, jobs, taxes, and community service. Let me just note that in 1994, through good stewardship and decision making, Ohio State leveraged state funds of \$351 million into a \$1.51 billion enterprise. This university promotes economic prosperity by generating \$3.5 billion in economic activity, nine times, I might note, the state's investment in the university. Of course, the economic benefits of the university -- while significant -- do not represent the value added by Ohio State in terms of knowledge, culture, health and well being, an educated work force, and an informed citizenry.

The Wall Street Journal of February 9 discussed the economic health of the midwest, saying, "Few Midwestern cities have thrived like Columbus, which

PRESIDENT'S REPORT (contd)

President Gee: (contd)

boasts an economy built on research, high technology and banking." Clearly, The Ohio State University is an integral part of that success.

The 1995 President's Report was published this month as part of Ohio State's *Quest*. The report calls attention to a number of outstanding programs that reflect the innovation and renewal evident across the university, including Campus Partners, the Student Advocacy Center, initiatives in teaching, and Project Reinvent.

Recruitment of new students for the Class of 1996 is aggressive and -- I am very happy to report -- very successful. As many of you have read in the newspapers, we attracted a very talented 1996 football recruiting class. Many pundits rank the class the very top in this nation. Having met a number of these young men and their families, I can tell you that the future looks bright for these students and our football program.

Nearly 900 of the most academically gifted students in the country who have applied for admission to Ohio State, came to campus this month to compete for scholarships. The students are in the top 3 percent of their high school classes. They participated in an essay examination and then learned a great deal more about opportunities at Ohio State. The number of scholarships for this target group was increased this year from 40 to 100.

The Student Alumni Council brought several hundred Ohio high school juniors to campus this month for Leadership Day. These prospective Ohio State students have demonstrated leadership in their schools and communities. They participated in a day-long series of workshops as well as campus tours.

To improve our recruitment efforts, we have opened a new Visitors Center this month. Located in Enarson Hall, it is a beautiful place to meet and greet the some 30,000 prospective students, family members, alumni, and friends who visit us each year. The Visitor Program of the Office of Admission and Financial Aid is delighted to have such pleasant surroundings, as all of us are. With brochures, videos, and computer-based information readily available to visitors -- as well as beverages and Cheryl's cookies -- we feel that this long-awaited move will put Ohio State's best foot forward to our guests. The Center will be formally dedicated next month.

Our students and faculty continue to garner honors and awards that bring distinction not only to them, but to the university. Katie Smith, a senior pre-dentistry student from Logan, became the all-time career scoring leader in Big Ten women's basketball. She also is the highest career scorer in Ohio State basketball history -- men's or women's. Katie made her final St. John Arena appearance last Sunday.

Aimee Hogan, a sophomore from Cherry Hill, New Jersey, was named Big Ten Diver of the Year and her coach, Vince Panzano, was named Coach of the Year in the conference.

Kendra Franklin of Gahanna was recognized by *USA Today* by being named a third-team selection in the All-USA College Academic Team. This places her among the top 60 college students in the nation! Kendra maintains a 3.98 grade average in molecular genetics. She has contributed significantly to a research

PRESIDENT'S REPORT (contd)

President Gee: (contd)

project on brain cancer. She is an active student leader, was a member of the Homecoming Court, and works at the University Honors Center.

Three Ohio State faculty members are among the recipients of Faculty Early Career Development Program Grants from the National Science Foundation. These awards are given to junior-level faculty in science and engineering who are effectively participating in research and teaching activities. Assistant Professor of Chemistry, Philip Grandinetti, and Assistant Professors of Computer and Information Science, Thomas Page and D.K. Panda, received a total of more than \$460,000 in grants.

Dean Nancy Zimpher, who is with us today, of our college of education has been named chair of the board of directors of The Holmes Partnership, a group of 90 education deans concerned with improving teacher education and better linking schools and universities. They seek to bring together veteran teachers, education students, and professors to conduct research, develop innovative programs that improve teaching, and prepare new teachers for the profession. The outstanding national reputation of the college and of its dean put Ohio State in a leadership role in teacher preparation and school reform.

Mr. Chairman, though long, that is my report and I appreciate you giving me the time.

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STUDENT RECOGNITION AWARD

Ms. Smith:

I am very honored to recognize Brian Mitchell, a junior majoring in mechanical engineering, as this month's recipient of the Student Recognition Award. Today we are recognizing Brian for his heroic and humanitarian efforts towards one of his professors at Ohio State.

Brian was enrolled in Math 415 during the past Summer Quarter. On the first day of classes, his professor, Professor Zimering, rushed into class looking very hot. As Professor Zimering reached up to write on the chalk board he grabbed his chest. It was apparent to the class that Professor Zimering was having a heart attack. One student stated that he had just completed an emergency training course, and in a very level-headed manner Brian instructed the student to take care of Professor Zimering while he left the room to call 911.

When Brian returned three minutes later, the student -- who had been left in charge -- had not done anything to help Professor Zimering. As a result, Brian took over and laid Professor Zimering down. He could not get a pulse, so Brian performed CPR for close to 20 minutes before the paramedics took over. Luckily, the paramedics were able to revive Professor Zimering after about 45 minutes of CPR, and he was able to return home thanks to the heroic efforts of Brian. Unfortunately, Professor Zimering did die four months later when he had a second heart attack while working in his garden.

STUDENT RECOGNITION AWARD (contd)

Ms. Smith: (contd)

Brian certainly acted in a heroic and, more importantly, level-headed manner during this crisis situation. According to Brian, the only thing going through his mind was what he could do to help Professor Zimering. He felt lucky to have had the chance to help him.

Like a true hero Brian does not accept credit for saving Professor Zimering, he believes all of the credit goes to the paramedics who arrived on the scene. In addition, he felt that Officer Scott Tipton -- the first University Police Officer on the scene -- deserves a great deal of credit in helping him perform CPR on Professor Zimering.

Brian was able to act quickly in this crisis situation due to training he had received previously as a life guard and in the military's standard first aid training class. He has been a member of Ohio State's ROTC program for two years and experienced six months of active duty in reserve training. In fact, Brian was the first in his class in advanced individual training as a radio and communications operator at military school at Fort Gordon, Georgia. Additionally, Brian has excelled academically at The Ohio State University by making the dean's list last quarter. Brian is clearly an outstanding example of a true hero here at The Ohio State University.

Brian, the Board of Trustees would like to commend you for your service to this University by presenting you with the Student Recognition Award. Congratulations and thank you.

Mr. Brian Mitchell:

Thank you.

Ambassador Wolf:

Brian, on behalf of the Board of Trustees, I would like to congratulate you. That was an outstanding performance and Holly delivered the history of your accomplishments very well. Thank you very much.

(See Appendix XXXVIII for Student Recognition Award, page 745.)

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HOSPITALS BOARD REPORT

Mr. Skestos:

The University Hospitals Board met February 22, 1996. The Board Chairman appointed three Board members to work with Hospitals' management on the development of strategic and operational issues in the areas of fund raising, personnel, and ethics.

As part of the financial report, pricing for managed care contracts was discussed in great detail. It was reported that the Hospitals is now beginning to see a negative impact of managed care contracting by Medicare and Medicaid, as well as commercial insurers on its activity levels and its revenues.

HOSPITALS BOARD REPORT (contd)

Mr. Skestos: (contd)

Strategic initiative updates included identifying the challenges related to the development of our HMO, the good progress in the alliance between Harding Hospital and OSU Hospitals, and the status of service improvements and cost reduction programs.

There was also significant discussion on the requirements for the information system of the University Medical Center sponsored integrated delivery system.

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FOUNDATION BOARD REPORT

Mr. Celeste:

On behalf my colleagues, Mr. Shumate and Mr. Brennan, who serve with me on the Foundation Board, I would like to briefly report on the recent meeting of The Ohio State University Foundation Board of Directors. On a very cold and rainy February 3, a joint meeting of the Foundation Board and the National Campaign Executive Committee was held in Naples, Florida.

Some of the highlights of the meeting included: 1) a discussion of the Campaign net progress-to-date; 2) a Campaign total of \$345 million showing excellent progress, with \$64 million acquired since the kick-off; 3) an insightful presentation made by John F. Wolfe, co-chair of the Campaign, about the value of the University Endowment and issues regarding the financing of public higher education; and 4) Campaign gift additions to the Endowment reaching \$60 million.

In addition, facility projects included in the Campaign remain on track, with four of them close to reaching the goal. John Berry, Foundation Board member and honorary co-chair of the Campaign, spoke on the importance of these facilities to the recruitment of students and faculty, the University's Master Plan, and Lane Avenue corridor.

Jim Nichols gave a very informative presentation on the history and performance of the University's Endowment. Especially noteworthy has been the growth and trust established by donors. The number has more than doubled since 1990, with 75 in 1991 and 151 in 1995.

David Brennan provided the Board with an update on the status of the Firestone Estate. Dick Leep reviewed with the Board the first results of the peer screening program. Thirteen screening sessions have been held with more than 200 alumni and friends participating. More than 6,000 new donor prospects have been identified.

Dean Bernadine Healy joined us and gave a marvelous talk about her vision for the College of Medicine and health care delivery. And President Gee reviewed and discussed several key initiatives with the Board including: the Campaign, Campus Partners and High Street, the Schottenstein Center, the Research Park, and the Kellogg Foundation Study of the Future of Land-Grant Institutions.

February 29, 1996 meeting, Board of Trustees

FOUNDATION BOARD REPORT (contd)

Mr. Celeste: (contd)

Jerry and his staff did a marvelous job preparing for the event and put together a comprehensive notebook, which I asked to be sent to all of the Trustees. I think that you will find this notebook very informative. The next meeting of the Foundation Board will be May 16 and 17 here on campus.

If there are no questions, that concludes my report, Mr. Chairman.

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EDUCATIONAL AFFAIRS COMMITTEE REPORT

Mr. Celeste:

I will begin with an apology that the Educational Affairs Committee meeting ran a little bit long this morning, which kept the full Board meeting from operating on time. We heard some important information from Vice Provost Ed Ray and Professors Lewis Ulman and Bill Palmer about the use of instructional computing support in our undergraduate programs. At a future meeting of the Committee, we expect to hear a more lengthy report when we have more time.

In addition, we have passed several resolutions which we would like for the full Board to consider and I'd like to ask Provost Sisson to present them.

Provost Sisson:

Thank you, Mr. Celeste. Mr. Chairman, I would like to present the following resolutions for Board approval:

MERGER AND NAMING OF DEPARTMENTS

Resolution No. 96-94

WHEREAS on June 3, 1994, the Board of Trustees approved the administrative reorganization of the College of Engineering; and

WHEREAS as a result of the administrative restructuring within the College of Engineering, the Department of Civil Engineering and the Department of Engineering Graphics were consolidated to form a new department; and

WHEREAS on April 7, 1995, in cross-college restructuring, the Department of Geodetic Science and Surveying was transferred from the College of Mathematical and Physical Sciences to the College of Engineering; and

WHEREAS the Departments of Civil Engineering and Geodetic Science enjoy close disciplinary relationships in teaching and research, and these relationships would be enhanced by merging the respective departments, to the benefit of the College and the University; and

WHEREAS the College administration and faculty, and the faculties of the departments concerned, support the proposed merger of the departments; and

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MERGER AND NAMING OF DEPARTMENTS (contd)

WHEREAS the faculties of the departments concerned, after a long and searching process, have determined that they can support only one name for the unit to be created by this merger, the Department of Civil and Environmental Engineering and Geodetic Science; and

WHEREAS the proposed merger and naming has the approval of the Council on Academic Affairs and was approved by the University Senate at its January 20, 1996 meeting:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees approve the proposal to combine the department formed by merging Civil Engineering and Engineering Graphics with the Department of Geodetic Science and Surveying, and to name the combined unit the Department of Civil and Environmental Engineering and Geodetic Science, effective immediately.

DEGREE PROGRAM MODIFICATIONS IN THE COLLEGE OF ENGINEERING

Resolution No. 96-

95

WHEREAS the College of Engineering has the objective of creating programs in computer engineering that meet the criteria for ABET accreditation; and

WHEREAS this objective can be accomplished by modifying existing degree programs; and

WHEREAS the proposed modified and renamed programs have been approved by the College Committee on Academic Affairs, and have the support of College administration, faculty, and students; and

WHEREAS the Departments of Electrical Engineering and Computer and Information Science will establish a coordinating body to handle issues related to transition to and operation of the proposed curricula; and

WHEREAS the proposal to modify the current "BS in Computer and Information Science" and rename it "BS in Computer Science and Engineering," and the proposal to modify the current "BS in Electrical Engineering" and rename it "BS in Electrical and Computer Engineering" (BSECE) with two options: Electrical Engineering (EE), and Computer Engineering (CpE) has the approval of the Council on Academic Affairs and was approved by the University Senate at its January 20, 1996 meeting:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees approve the proposal to modify the degree programs as outlined above, effective upon the approval of the Board of Regents.

AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY

Resolution No. 96-96

Synopsis: Approval of the following amendments to the Rules of the University Faculty are

February 29, 1996 meeting, Board of Trustees

recommended.

AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY (contd)

WHEREAS the University Senate pursuant to rule 3335-1-09 of the Administrative Code is authorized to recommend through the President to the Board of Trustees the adoption of amendments to the Rules of the University Faculty as approved by the University Senate; and

WHEREAS the proposed changes in the Rules of the University Faculty were approved by the University Senate on January 20, 1996:

Amended Rules

3335-5-4810 Faculty hearing committee.

(A) Unchanged.

(B) Duties and responsibilities.

- (1) Conduct hearings ~~on allegations of incompetence or grave misconduct, or on appeals BY RESPONDENTS from findings of failure to meet university responsibilities, CHARGED UNDER RULE 3335-5-04 OF THE ADMINISTRATIVE CODE following THE procedures of paragraph (E) of THIS rule 3335-5-04 of the Administrative Code.~~
- (2) Conduct hearings on complaints of alleged improper evaluation based upon reasons or considerations that infringe a constitutional right of the complainant following procedures of paragraph (C)(3) of rule 3335-5-05 of the Administrative Code.
- (3) Conduct hearings on allegations of improper evaluation based upon inadequate consideration of the pertinent facts by the individual(s) making the decision following procedures of paragraph (C)(4) of rule 3335-5-05 of the Administrative Code.
- (4) Conduct hearings on an appeal of a tenured faculty member because of termination of appointment during financial exigency following procedures of paragraph (B) of rule 3335-5-023 of the Administrative Code.

Balance Unchanged.

NOW THEREFORE

BE IT RESOLVED, That the foregoing amendments to the Rules of the University Faculty be adopted as recommended by the University Senate.

DISTINGUISHED SERVICE AWARDS

Resolution No. 96-

97

Synopsis: Approval of eight individuals to receive Distinguished Service Awards is proposed.

WHEREAS the President's Executive Committee, upon the recommendation of the Committee on

February 29, 1996 meeting, Board of Trustees

Distinguished Service Awards, nominated and recommended eight individuals for approval by the Board of Trustees to receive the Distinguished Service Award at a time convenient to the University and the recipients:

DISTINGUISHED SERVICE AWARDS (contd)

Richard J. Denman
Simon Dinitz
Wilbur Gould
Billy A. Hill (posthumously)
Susan J. Insley
Sally M. Nitschke (posthumously)
John J. Schiff
Arthur I. Vorys

WHEREAS these awards are given in recognition of distinguished service to The Ohio State University and the awards are in accordance with action taken by the Board of Trustees in 1952:

NOW THEREFORE

BE IT RESOLVED, That the Distinguished Service Awards be approved for awarding as designated above.

DEGREES AND CERTIFICATES - WINTER QUARTER COMMENCEMENT

Resolution No. 96-

98

Synopsis: Approval of Degrees and Certificates for Winter Quarter is proposed.

WHEREAS pursuant to paragraph (E) of rule 3335-1-06 of the Administrative Code, the Board has authority for the issuance of degrees and certificates; and

WHEREAS the faculties of the colleges and schools shall transmit, in accordance with rule 3335-9-29 of the Administrative Code, for approval by the Board of Trustees the names of persons who have completed degree and certificate requirements:

NOW THEREFORE

BE IT RESOLVED, That the degrees and certificates be conferred on March 15, 1996, to those persons who have completed the requirements for their respective degrees and certificates and are recommended by the colleges and schools, and that the names of those persons awarded degrees and certificates be included in the minutes of this meeting.

PERSONNEL ACTIONS

Resolution No. 96-99

RESOLVED, That the personnel actions as recorded in the Personnel Budget Records of the University since the February 2, 1996 meeting of the Board, including the following Appointment, Appointment of Chairperson, Leave of Absence Without Salary, Professional Improvement Leaves, Emeritus Title, as detailed in the University Budget be approved and the Medical Staff Appointments/Reappointments (The Ohio State University Medical Center) approved December 21, 1995, and January 25, 1996, by the Hospitals Board be ratified.

PERSONNEL ACTIONS (contd)

Appointment

Name: COLLEEN A. O'BRIEN
Title: Director - State Relations
Office: Office of the President
Effective: March 11, 1996
Salary: \$85,008.00
Present Position: Deputy Director, State of Ohio, Office of Budget and Management

Appointment of Chairperson

January 1, 1996, through September 30, 1996

Department of Women's Studies

Sally L. Kitch

Leave of Absence Without Salary

STEWART D. SHAPIRO, Professor, Department of Philosophy (Newark Campus), to do a combination of teaching and research at the University of St. Andrews in Scotland, effective Spring Quarter 1996.

Professional Improvement Leaves

WEN S. CHERN, Professor, Department of Agricultural Economics and Rural Sociology, effective Autumn Quarter 1996, Winter Quarter and Spring Quarter 1997.

SHELDON W. HALPERN, Professor, College of Law, effective Spring Semester 1997.

TIMOTHY S. JOST, Professor, College of Law, effective Autumn Semester 1996 and Spring Semester 1997.

STANLEY K. LAUGHLIN, JR., Professor, College of Law, effective Spring Semester 1997.

JAMES E. MEEKS, Professor, College of Law, effective Spring Semester 1997.

Medical Staff--Appointments (The Ohio State University Medical Center)

July 1, 1995 through June 30 1997

Dull, Pamela A., Attending Staff, Department of Family Medicine
Durda, Elaine A., Attending Staff, Department of Internal Medicine (General Medicine)
Hansen, Thomas N., Attending Staff, Department of Pediatrics (Neonatology & Pulmonary)
Linchangco, Emmanuel, Courtesy Staff, Department of Internal Medicine (Community Medicine)
Cyran, Katherine M., Attending Staff, Department of Radiology
Elliott, Mark L., Attending Staff, Department of Anesthesiology
Garcha, Trishwant S., Attending Staff, Department of Neurology
Higgins, Donald, S, Jr., Attending Staff, Department of Neurology
Keder, Lisa M., Attending Staff, Department of Obstetrics and Gynecology

July 1, 1994 through June 30, 1996

Michaels, Gregory C., Courtesy Staff, Department of Dentistry (Oral and Maxillofacial Surgery)
Mobin-Uddin, Asthma, Courtesy Staff, Department of Pediatrics
Tomczak, Rodney L., Attending Staff, Department of Surgery (Orthopedic)

February 29, 1996 meeting, Board of Trustees

PERSONNEL ACTIONS (contd)

Medical Staff--Appointments (The Ohio State University Medical Center) (contd)

July 1, 1994 through June 30, 1996 (contd)

Ridgeway, Joseph A., Courtesy Staff, Department of Radiology
Shellhaas, Cynthia S., Attending Staff, Department of Obstetrics and Gynecology (Maternal & Fetal Medicine)
Vegunta, Suneela, Attending Staff, Department of Internal Medicine (General)
Weinstock, Michael, Attending Staff, Department of Internal Medicine (Infectious Diseases)

July 1, 1995 through June 1996

Jones, Julie Hickson, Limited Staff, Department of Obstetrics and Gynecology
Neal, David E., Attending Staff, Department of Radiology
Prior, Simon Robert, Limited Staff, College of Dentistry (Oral Surgery)
Schutte, Deborah Ann, Limited Staff, Department of Pediatrics (Cardiology)
Smith, III, Townsend, Limited Staff, Department of Anesthesiology
Hussein, Abdelhakim A., Limited Staff, Department of Neurology

Medical Staff-- Reappointments (The Ohio State University Medical Center)

July 1, 1995 through June 30, 1996

Cook, Paul A., Limited Staff, Department of Surgery (Orthopedic)
Janer, Myrna, Limited Staff, College of Dentistry (General)
Verma, Anil, Limited Staff, College of Dentistry (General)

July 1, 1995 through June 30, 1997

Christoforidis, A. J., Attending Staff, Department of Radiology
Davis, John, T., Attending Staff, Department of Surgery (Thoracic and Cardiovascular)
Drabyn, Gerald, Courtesy Staff, Department of Surgery (Plastic)
Kelly, David, R., Attending Staff, Department of Otolaryngology
Inglis, William D., Courtesy Staff, Department of Internal Medicine (Pulmonary)
Gadek, James E., Attending Staff, Department of Internal Medicine (Pulmonary)
Heck, Christopher F., Attending Staff, Department of Surgery (Thoracic and Cardiovascular Surgery)
Jackson, Benita M., Attending Staff, Department of Preventive Medicine

Laser Privileges

September 25, 1995

Pollifrone, David L., Attending Staff, Department of Surgery (Urology)
Arkady, Kagan, Attending Staff, Department of Ophthalmology
Pajka, John T., Attending Staff, Department of Ophthalmology

Emeritus Title

HUGO BEKKER, Department of Germanic Languages and Literatures, with the title Professor Emeritus, effective April 1, 1996.

RESOLUTIONS IN MEMORIAM

Resolution No. 96-100

Synopsis: Approval of four Resolutions in Memoriam.

RESOLVED, That the Board adopt the following Resolutions in Memoriam and that the President be requested to convey copies to the family of the deceased.

Thomas J. Burns

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on January 10, 1996, of Thomas J. Burns, Professor Emeritus in the Department of Accounting and Management Information Systems.

Thomas Junior Burns was born in Arena, Wisconsin, on April 6, 1923. Following service with the U.S. Army in Europe during World War II, Professor Burns graduated from the University of Wisconsin with a degree in business administration in 1950. For several years, he served as controller and instructor in accounting at Lawrence University in Appleton, Wisconsin, and in 1952 he became a certified public accountant. In 1955 he entered the University of Michigan from which he received a Master's of Business Administration degree in 1957. Following a year on the accounting faculty at Southern Illinois University, he entered the University of Minnesota where he earned a Ph.D. in accounting.

In 1963, he was appointed Associate Professor of accounting at The Ohio State University. He spent the remainder of his career at Ohio State except for visiting professorships at the University of Chicago, Harvard University, Stanford University, and the University of California-Berkeley. He was promoted to professor in 1967 and served as chair of the Department of Accounting and Management Information Systems from 1977 to 1981. Professor Burns retired from Ohio State as the Deloitte & Touche Professor of Accounting in 1994. Despite the limitations imposed by severe arthritis, he continued to come to his office twice weekly to talk with students and colleagues and to work on matters related to various organizations and projects.

Professor Burns was totally dedicated to Ohio State's accounting students and programs. He founded the Accounting Honors Program in the late 1960's and served as its director until his retirement in 1994. Working with the Honors Program and the Omicron Chapter of Beta Alpha Psi, he molded an extraordinary educational experience for hundreds of accounting students. That experience included the Beta Alpha Psi National Student Seminar which he founded and which was named in his honor. In the early 1970's, he revitalized The Ohio State Accounting Hall of Fame and served as its chair until his death in 1996.

In addition to papers in academic and professional journals, Professor Burns' scholarly publishing included several books and many edited conference proceedings. Several of these proceedings were instrumental in raising the importance of behavioral and social phenomena in accounting research. He was a strong proponent of innovation in accounting education, and for nearly 30 years McGraw-Hill published his *Accounting Trends*, an annual collection of innovative course outlines.

Professor Burns contributed to many professional organizations. He served as national president of Beta Alpha Psi, director of education for the American Accounting Association, and president of the Academy of Accounting Historians. He received honors and awards from virtually every organization in which he became involved. These many honors include the Outstanding Accounting Educator Awards from both the American Institute of CPAs (1989) and the American Accounting Association (1992). He was also the first recipient of the Ohio Outstanding Accounting Educator Award. In addition, he received distinguished service awards from the

RESOLUTIONS IN MEMORIAM (contd)

Thomas J. Burns (contd)

Columbus Chapters of the Financial Executive Institute and the Institute of Management Accountants.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Burns its deepest sympathy and sense of understanding in their loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to his family as an expression of the Board's heartfelt sympathy.

Beulah Converse

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on January 30, 1996, of Beulah Converse, Assistant Professor Emeritus in the Ohio State University Extension.

Beulah Converse was born June 10, 1912, in Leetonia, Ohio. She received a Bachelor of Science in Home Economics degree from The Ohio State University in 1936. She began her Extension Career in 1959 in Mahoning County as the County Extension Agent, Home Economics. In 1970 she became the Area Extension Agent, Home Economics for the Canfield Area and held this position until her retirement in 1974.

Professor Converse's contributions in providing excellent Extension educational programs in home economics in the areas of working with low income youth and adults and homemakers during her career earned her the respect and admiration of co-workers and associates throughout the state.

On behalf of the University community, the Board of Trustees expresses its sympathy and understanding to her family. It was directed that this resolution be inscribed in the minutes of the Board of Trustees as an expression of the Board's heartfelt sympathy.

William B. Shook

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on December 1, 1995, of William B. Shook, Professor Emeritus in the Department of Materials Science and Engineering.

Professor Shook came to The Ohio State University as a student and received a Bachelor's degree in Ceramic Engineering in 1953, after which he joined the Engineering Experiment Station as a research associate. In 1958, he was appointed supervisor of ceramic research and continued in this position until 1961, when he earned his Ph.D. He then joined the Department of Ceramic Engineering.

In 1963, Professor Shook joined an AID consortium of nine universities, and served for two years as a visiting professor at the Indian Institute of Technology in Kanpur, India, where he helped organize the metallurgy department. Professor Shook resumed his teaching and research activities at The Ohio State University in 1965.

Advising and counseling students were extremely important to Professor Shook. In 1971, he received The Ohio State University's Distinguished Teacher Award, the MacQuigg Award in 1972, and The Alumni Award for Distinguished Teachers in 1973. He served on numerous University and College of Engineering committees, was on the advisory board for Tau Beta Pi, and was a faculty advisor for Keramos, a professional fraternity for Ceramic Engineers.

RESOLUTIONS IN MEMORIAM (contd)

William B. Shook (contd)

William Shook became Chairman of the Department of Ceramic Engineering in 1972 and served in this capacity until his retirement in 1983. His expertise and research in the physical properties of ceramic materials and applications of computer technology to material analysis were well respected.

Professionally, Dr. Shook was active in the American Ceramic Society, where he served as an officer at both the local and national level. He was elected a Fellow of the Society in 1972. He received the Cramer Award in 1981. He was also active in the National Institute of Ceramic Engineers and the Ceramic Educational Council.

Dr. Shook served for many years as one of the Managing Directors for the British Ceramic Service Company. In the summer he would travel to England to help this firm coordinate kiln design issues in the firing of ceramics.

On behalf of the University, the Board of Trustees expresses to the family of Professor Shook its deep sympathy and sense of understanding in their loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to the family as an expression of the Board's heartfelt sympathy.

Lowell Wilson

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on December 3, 1995, of Lowell Wilson, Associate Professor Emeritus in the Ohio State University Extension.

Lowell Wilson was born August 22, 1921, in Hamersville, Ohio. He received a B.S. in agriculture education in 1950, and a MS in agriculture education in 1964, both from The Ohio State University.

Professor Wilson began his Extension career in 1953, as the Associate County Extension Agent in Richland County. In 1956, he became the County Agricultural Agent in Union County and held this position until his retirement in 1981.

His contributions included: providing excellent Extension educational programs in agriculture, specifically in the area of corn and soybean production; and community development programs, including the Community Improvement Project in Milford Center. Professor Wilson's expertise in these areas during his career earned him the respect and admiration of co-workers and associates throughout the state.

On behalf of the University community, the Board of Trustees expresses its sympathy and understanding to his family. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to the family as an expression of the Board's heartfelt sympathy.

Upon motion of Mr. Celeste, seconded by Mr. Brennan, the Board of Trustees adopted the foregoing resolutions by unanimous roll call vote, cast by Messrs. Wexner, Shumate, Celeste, Colley, Skestos, Brennan, Patterson, Sofia, and Ambassador Wolf.

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STUDENT AFFAIRS COMMITTEE REPORT

Mr. Smith:

Yesterday, our Committee heard a presentation from the Office of Greek Affairs and I want to summarize their presentation this morning.

From about 1973 to 1988, the Greek Affairs program at Ohio State was ranked one of the best, if not the best, in the country. After a period of down time in the last few years, I'm happy to report that with the support of Vice President Williams and some new leadership in the Greek Affairs Office, they are well on their way back.

As evidence of that, they just recently won a couple of awards for the first time in many, many years. They are also working very hard on developing alternative programs on campus to reduce the risk of alcohol and substance abuse. They are also engaging in some creative marketing on campus and working in coalitions and with other campus organizations to improve their effectiveness here at Ohio State.

We also heard a brief update yesterday on the Student Trustee Selection Process. That process is expected to conclude by March 15 and several of the candidates for the upcoming vacant Student Trustee position are in the audience today.

This morning our Committee heard a presentation from the NCAA Athletic Certification Committee which is a review program that was implemented in 1993 by the NCAA for all Division I institutions. Its purpose is to ensure integrity in the institution's athletic program and is composed of a two-step process.

The first step is a self-study process which is the on-campus process. At Ohio State it was composed of four subcommittees: 1) dealing with fiscal integrity -- examining the fiscal practices and the degree of institutional control in terms of financial management over the athletic program; 2) the Academic Integrity Subcommittee, which dealt with the integration of the student athlete with the student body, admission and recruitment issues, retention and graduation issues, and student support issues in terms of coursework, career, and life skills, and also academic tutoring; 3) the Equity Subcommittee, which dealt with student welfare issues, minority issues on campus, and also Title IX Compliance; and 4) the Governance Subcommittee, which was composed of the system that governs the athletic program here on campus and also examined issues dealing with rules compliance. Its primary purpose is to ensure that athletics and the mission of athletics is consistent with the mission of the institution.

The work of the subcommittees resulted in a nearly 700-page draft report. The report will be submitted to the NCAA subsequent to the completion of the second stage of the process, which is a peer review that will occur here at Ohio State in late April and May. After that, the recommendations will be submitted to the NCAA and they will make a recommendation on certification. So far, we are very confident that we will meet substantial compliance with all of their operating principals and we will be certified.

Finally, this morning we have a presentation from David Hothersall and Mabel Freeman from the University Honors Center. So I would like to call on them now.

REPORT ON THE UNIVERSITY HONORS CENTER

Dr. David Hothersall:

Thank you very much. Mr. Chairman, this is the fourth occasion that I have been asked to meet with members of the Board of Trustees to describe some of the activities in the University Honors Program. On previous occasions what I have done is to present you with profiles of the incoming class of honors students and to discuss the merit scholarship programs and various other activities. We thought that what we would do today, in the short time that we have available, is really try to capture for you some aspects of the experience of an honors student at this University. And, of course, at the heart of that experience are the academics.

The honors students are exceptionally talented and strong students. They come to this university expecting an academic program second to none, and that is what we endeavor to provide for them. Each quarter we offer between 55 and 60 honors courses, those are small enrollment courses with an average class size of 18 students. They are taught by some of the most distinguished members of our faculty and are taken only by honors students. They have an excellent reputation and are in great demand. I'd like to just describe two of them very quickly.

This quarter, Professor Rick Herrmann, from the Department of Political Science, is teaching an honors 597 course on political problems of the contemporary world. That class has 67 students in it. That is well above the norm for an honors class for reasons that I will make clear in a few minutes.

For the first six weeks of this quarter, the students were working together in teams collecting background information and studying assigned countries. They also had to learn to cooperate in that each of these countries had to be represented by either a president or a prime minister. The students are now involved in a two-week diplomatic simulation where they are developing national strategies, bargaining with each other, representing their national entities, and negotiating. These are countries that are involved in very serious ethnic and territorial conflicts. They are addressing issues of national and global significance and economic and ecological challenges. They are engaged in both bilateral and multilateral negotiations.

Throughout this entire process, the students are being provided -- perhaps even flooded -- with additional background information which is being presented to them electronically over a UserNet that has been set up for the members of this class. Fascinatingly, this information includes intelligence information -- which they can choose to use or discard -- and it also includes counterintelligence or deceptive intelligence information. Based upon all of this, the students then have to represent the best interests of their countries and their regions.

I can tell you that for the students in this class it has become almost totally consuming. We have three of the participants working at the University Honors Center and they talk about this class night and day. That is just about all we ever hear about. So it has been a most wonderful experience for them. They are also very involved and we hear about various strategies. I must tell you, ladies and gentlemen, I personally was very disturbed the other day when I heard that the Prime Minister of England had to report that the country had been bombed and eliminated from the face of the earth. But it is a wonderful course, and I think an example of the innovative teaching that is being conducted in the Honors Program.

REPORT ON THE UNIVERSITY HONORS CENTER (contd)

Dr. Hothersall: (contd)

On a modest scale, I would like to just tell you about my course. As a psychology professor, I teach honors psychology and have 24 students in my class. One of the projects that my students always do is to conduct an observation of some aspect of human behavior. So they develop a research proposal, which is then approved. They go out and conduct their observations, and they report these observations, both in written format and also in a poster or presentation format. I find that it is a marvelous feature of the class and it also really facilitates interaction and discussion between the class members.

The second area of the academics is, of course, research. Ohio State is a major research university and honors students are well-qualified to participate in research activities and many of them are doing so. We estimate that at this moment some 800 honors students are actively working on research projects and we expect 130 students will write honors theses and graduate with distinction.

Just one of them is the student that President Gee mentioned -- Kendra Franklin. Kendra is a senior Battelle Scholar, working with Dr. Ing-Ming Chiu in his molecular genetics laboratory. Kendra is working on a research team with ten other people consisting of faculty, post-doctoral fellows, pre-doctoral fellows, and graduate students. She is the only undergraduate working on that project.

As President Gee mentioned, Kendra is working with Human DNA. A particular gene which appears to be critically involved in glioblastoma -- the process by which certain brain cells become cancerous. What they are looking for is trying to understand the mechanism which is responsible for that development. Kendra has been working on this project for two and a half years, as an undergraduate student working in a world-class laboratory on a cutting edge research project.

This month, Kendra was named to the USA Today's All-American Academic Team and in her application she was asked to describe a creative achievement. This research is what she described by saying, "I think it is an example of the tremendous benefits and the opportunities that are available to students at this University."

We also have a very, very active co-curricular program. I have asked my colleague, Associate Director Mabel Freeman, to describe some of those activities to you.

Dr. Mabel Freeman:

Thank you. I'll be very brief. We think it is important for the students to see the faculty outside of the classroom and to experience the resources of both the university and the community around it.

To that end, this quarter alone, the students have been engaged in what we call, "Faculty Firesides." There has been a theme running through this Winter Quarter's Faculty Firesides: Professor Dan Barnes talking of contemporary legends and Professor Linda Rugg talking about Scandinavian Mythology. These evening sessions are totally voluntary, and the living room at Honors House is usually filled with students for them.

REPORT ON THE UNIVERSITY HONORS CENTER (contd)

Dr. Freeman: (contd)

We also have a Leadership Ohio State Project run by the honors students. Just this week, Dr. Bernadine Healy came and engaged the students in a discussion, not about medicine, but about leadership and how to be effective as a leader. They have heard from President Gee and a number of leaders throughout the year that they have been working with. These are freshman honors students.

This quarter alone we have seventy-four honors students engaged in volunteer work at Indianola Middle School. That school is located in the Campus Partners area and has thirty-three social agencies connected with it. Yet we have seventy-four college students suddenly making these kids think that there is hope, and that there is a possibility that they too might someday aspire to go to college.

Our students are working one-on-one as tutors. They are developing music programs in the middle school, they are developing a newspaper for the school and, in fact, the students wrote and received a National Ports Grant for \$500 so that the school could be linked into the Internet. They have now set up their own Worldwide Web page as a middle school, and there is great pride among the students that they are now on the Web thanks to this grant. We anticipate a hundred honors students volunteering Spring Quarter at Indianola Middle School.

We also have the John Rudolph Book Program through the generous donation of one of our more recent graduates. Each quarter the students voluntarily read "extra" books and sit down with faculty outside of a classroom setting and talk about what they have read.

During Autumn Quarter we had 120 students read a little book called, Einstein's Dreams by an MIT professor, and we had eight faculty meeting in small groups with these students. I think you will find it interesting to know, the faculty leading this literary discussion all came from the Departments of Physics and Chemistry.

This week opened the Mosaic Art Show. Mosaic is a literary magazine. As a result of the Mosaic Art show, there is a wonderful art display now in the Ohio Union.

David and I are looking forward to our Memorial Day weekend when we will be taking 154 honors students to Chicago for an architectural look at that city. In order to save money, we just cut out one thing -- sleeping. We leave early in the morning, we only sleep one night there, and we come back at midnight the next day. It is very economical, and 154 students will be going with us.

We have made use of the Honors House, as well as three Honors Residence Halls, housing 1,200 students, to do our programming. We must admit, unfortunately, that the honors ice hockey team did lose this week in the intramural playoffs, but they plan to be back Spring Quarter.

Finally, we would like to share with each of the Trustees our most recent poster, and we have brought one for each of you. We have a tradition with the scholarship competition that President Gee alluded to of bringing in outstanding high school students and giving them our "Ohio State of Mind: Where Great

REPORT ON THE UNIVERSITY HONORS CENTER (contd)

Dr. Freeman: (contd)

Minds Go" poster. Our students thought that you might like to have one and they would like your vote on the most compelling question of the season, which is: What is this green thing on this person's cheek? The current guess is that it is guava fruit, but we are open to other thoughts. So we do have one of these for each of you.

We appreciate your time today. Thank you. Thank you, Tom.

Mr. Smith:

Thank you very much. Are there any questions or comments for Drs. Hothersall or Freeman?

President Gee:

Thank you. They do a great job representing the University and all that is good about Ohio State. Thanks to both of you.

Mr. Smith:

That concludes my report, Mr. Ambassador. I would add one thing, I neglected to mention that Ted Celeste also served on the NCAA Athletic Certification Committee -- not just on the Steering Committee, but also on one of the Subcommittees -- and did an incredible amount of work on behalf of it. So the Committee wanted to express its thanks to him for all the work that he has done. Thank you, Mr. Ambassador.

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INVESTMENTS COMMITTEE REPORT

Mr. Colley:

The Investments Committee met earlier this morning and received reports from Mr. May and Mr. Nichols. At this time, I am pleased to present Mr. May for the Development Report.

Mr. Jerry May:

Thank you very much, Mr. Colley. If you would turn to the Development tab in your book you will notice the results of private support for the first seven months of this Fiscal Year. Much of this is impacted by the University's Campaign and the fact that we are \$11 million ahead so far this year, compared to where we were last year. This is clearly the result of the hard work of the Board of Trustees, the Foundation Board, the National Campaign Executive Committee, and, frankly, hundreds of volunteers across the country that continue to put Ohio State in front of individuals, corporations, and foundations.

I do want to talk about something that is on the second page entitled, "Gifts By Purpose." This is something that we sometimes take for granted because it happens on a daily basis and that is that every day we have students who are working on behalf of the university and on behalf of the Campaign, calling

INVESTMENTS COMMITTEE REPORT (contd)

Mr. May: (contd)

alumni and friends of the university all across the country. I can tell you that the reason we are up over 20 percent in our annual giving to our colleges and departments, and that we are up over 35 percent in our annual support to the university is clearly the result of the partnership that these students have made with us in terms of their own Campaign initiatives and leadership. So we are very appreciative of that and I wanted to mention that hard work.

You also see a number of pages of new endowed funds. Today, I would like to call your attention to three scholarship funds. I have singled them out because of the range that they represent coming to the institution. The first one that I want to talk about is a very, very substantial one provided by George W. Hendricks and Elizabeth L. Hendricks, The George and Elizabeth Hendricks Scholarship Funds, you will notice totals \$1.7 million. These four new endowed funds were created for the Colleges of Humanities, Engineering, and Medicine, by Mr. Hendricks in his will. He was a 1929 graduate of the College of Commerce, now the Fisher College of Business, and he had a successful career with the Ohio Company. He passed away in 1992 and we are now benefiting from the generosity of that decision that he made in his lifetime.

Secondly, in a very different area, I would like to call your attention to The Alice and Carolyn Bierce Thomas Critical Difference for Women Re-entry Scholarship Fund. This was made possible by a gift from the estate of Alice Thomas and also by her daughter, Carolyn Thomas, who has two degrees from The Ohio State University. What is exciting about this is that it will provide scholarships for women who have interrupted their education to meet other responsibilities and now need financial support to return to the academic process. This is an example of lots of gifts that we are continuing to get more of now in this particular program. It is an important area for our students.

The third endowed scholarship is from Ed Johnson. As many of you know, Ed Johnson is a 1959 graduate of the College of Agriculture, now the College of Food, Agricultural, and Environmental Sciences, and is owner and CEO of the Agricultural Broadcasting Network. He has established an undergraduate scholarship for entering freshmen who have been active in 4-H or the Future Farmers of America.

This just gives you an example of the range of people and areas where we are really beginning to make a huge difference in our endowed scholarship funds. I congratulate all of the people that provided this and the people that helped along the way.

Mr. Colley, at this time I would like to ask that you present to the Board of Trustees for approval 12 new named endowed funds and a revision of one endowed fund, all of these totaling \$2,389,000.

REPORT ON UNIVERSITY DEVELOPMENT

Resolution No. 96-101

Synopsis: The report on the receipt of gifts and the summary for January 1996 are presented for Board acceptance.

WHEREAS monies are solicited and received on behalf of the University from alumni, industry, and various individuals in support of research, instructional activities, and service; and

REPORT ON UNIVERSITY DEVELOPMENT (contd)

WHEREAS such gifts are received through The Ohio State University Development Fund and The Ohio State University Foundation; and

WHEREAS this report includes the establishment of twelve (12) new named endowed funds and the amendment to one (1) endowed fund:

NOW THEREFORE

BE IT RESOLVED, That the acceptance of the report from The Ohio State University Development Fund and The Ohio State University Foundation during the month of January 1996 be approved.

TOTAL UNIVERSITY PRIVATE SUPPORT

July-January

1994-95 Compared to 1995-96

GIFT RECEIPTS BY DONOR TYPE

	Dollars July through January		
	<u>1994-95</u>	<u>1995-96</u>	<u>% Change</u>
Individuals:			
Alumni (Current Giving)	\$11,389,917	\$16,042,548	41%
Alumni (From Bequests)	<u>1,227,633</u>	<u>3,407,477</u>	178%
Alumni Total	\$12,617,550	\$19,450,025	54%
Non-Alumni (Current Giving)	\$5,538,102	\$8,225,075	49%
Non-Alumni (From Bequests)	<u>1,433,576</u>	<u>751,376</u>	-48%
Non-Alumni Total	\$6,971,678	\$8,976,451	29%
Individual Total	\$19,589,228	\$28,426,476	45% ^A
Corporations/Corp. Foundations	\$16,517,799	\$16,857,993	2% ^B
Private Foundations	\$4,719,075	\$7,037,609	49% ^C
Associations & Other Organizations	<u>\$1,928,564</u>	<u>\$1,413,226</u>	-27% ^D
Total	\$42,754,666	\$53,735,304	26%

NOTES

- A Overall individual giving this year is running 45% ahead of last year for the July-January reporting period. Alumni have given nearly \$7 million more during the July-January period this year than last, highlighted by five gifts totaling \$6.6 million. Non-alumni giving is also running about \$2 million ahead of the same period last year.
- B Corporate giving is up slightly (2%). Last year there were 330 corporations providing private support of \$10,000 or more (\$13.1 million). This year private support at the \$10,000 level is \$13.5 million (313 corporations).
- C Gifts of \$10,000 or more from private foundations are about \$2.3 million more than during last year's comparable reporting period.
- D Gifts of \$10,000 or more from associations and other organizations are down about \$500,000 this year for the July-January period.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

TOTAL UNIVERSITY PRIVATE SUPPORT (contd)

July-January (contd)

1994-95 Compared to 1995-96 (contd)

GIFT RECEIPTS BY PURPOSE

	Dollars July through January		
	<u>1994-95</u>	<u>1995-96</u>	<u>% Change</u>
Gift Receipts to Current Use & Endowment Funds:			
Buildings/Equipment	\$12,214,621	\$11,327,554	(7)
Program Support	\$19,813,062	\$28,360,210	43
Student Financial Aid	\$5,586,015	\$7,778,952	39
Annual Funds-Colleges/Departments	\$4,529,391	\$5,441,425	20
Annual Funds-University	<u>\$611,577</u>	<u>\$827,163</u>	35
Total	\$42,754,666	\$53,735,304	26

GIFT ADDITIONS TO ENDOWMENT

	Dollars July through January		
	<u>1994-95</u>	<u>1995-96</u>	<u>% Change</u>
	\$15,484,500	\$20,096,981	30

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Named Endowed Funds</u>			
The Barton C. Kagey Scholarship Fund (Scholarships - College of Law)		\$174,000.00	\$174,000.00
The Glen H. And Beverly A. Schmidt Support for Study Abroad in Agriculture and Natural Resources (Support for undergraduate students studying abroad - College of Food, Agricultural, and Environmental Sciences)	\$60,000.00		\$60,000.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

	Previous <u>Gifts</u>	Current <u>Gifts</u>	Total <u>Gifts</u>
<u>Establishment of Named Endowed Funds (contd)</u>			
The Alice and Carolyn Bierce Thomas Critical Difference for Women Re-Entry Scholarship Fund (Scholarships for women to re-enter educational process)		\$66,156.96	\$66,156.96
The Thelma Ross Scholarship Fund (Merit Scholarships - University Honors Center)		\$49,599.83	\$49,599.83
The Patricia A. Robinson Athletic Scholarship Fund (Grant-in-Aid Scholarships - Department of Athletics)		\$47,805.00	\$47,805.00
The Allen W. Hall Endowed Sports Dentistry Award Fund (Awards to senior dental students participating in Sports/Dentistry program)	\$25,215.87		\$25,215.87
The Ed Johnson Scholarship Fund (Scholarships - College of Food, Agricultural and Environmental Sciences)		\$25,000.00	\$25,000.00

THE OHIO STATE UNIVERSITY FOUNDATION

Establishment of Named Endowed Funds

The George W. Hendrix and Elizabeth L. Hendrix College of Humanities Scholarship Fund (Scholarships - College of Humanities)		\$432,023.47	\$432,023.47
The George W. Hendrix and Elizabeth L. Hendrix College of Medicine Scholarship Fund (Scholarships - College of Medicine)		\$432,023.47	\$432,023.47
The George W. Hendrix and Elizabeth L. Hendrix Mechanical Engineering Scholarship Fund (Scholarships - College of Engineering)		\$432,023.47	\$432,023.47
The George W. Hendrix and Elizabeth L. Hendrix Electrical Engineering Scholarship Fund (Scholarships - College of Engineering)		\$432,023.46	\$432,023.46

February 29, 1996 meeting, Board of Trustees

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

	Previous <u>Gifts</u>	Current <u>Gifts</u>	Total <u>Gifts</u>
<u>Establishment of Named Endowed Funds</u>			
The William R. Bennett - Vision Service Plan Chair Fund in Business Practice Management in the College of Optometry (Chair support for Business Practice Management - College of Optometry)		\$250,000.00	\$250,000.00
<u>Change in Description of Named Endowed Funds</u>			
The Bank One Fund for Student Excellence and Leadership			
_____	Total	\$85,215.87	\$2,340,655.66 \$2,425,871.53

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

ESTABLISHMENT OF NAMED ENDOWED FUNDS

The Barton C. Kagey Scholarship Fund

The Barton C. Kagey Scholarship Fund was established February 29, 1996, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from the estate of Gwen H. Kagey (B.A. Arts '75), Columbus, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide scholarships for students in the College of Law.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson or program administrative officer in order to carry out the desire of the donors.

\$174,000.00

**The Glen H. and Beverly A. Schmidt Student Support Fund for Study Abroad
in Agriculture and Natural Resources**

The Glen H. and Beverly A. Schmidt Student Support Fund for Study Abroad in Agriculture and Natural Resources was established February 29, 1996, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from the College of Food, Agricultural, and Environmental Sciences in lieu of compensation of Glen H. Schmidt's

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

**The Glen H. and Beverly A. Schmidt Student Support Fund for Study Abroad
in Agriculture and Natural Resources (contd)**

teaching after retirement. The fund was created in appreciation for his enjoyable and rewarding employment at The Ohio State University as a faculty member and department chairperson in Dairy Science from 8/6/74 to 12/31/90 and as chairperson of the Department of Animal Sciences from 1/1/91 to 6/30/95.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for undergraduate students enrolled in the College of Food, Agricultural, and Environmental Sciences (including Natural Resources) studying abroad for academic credit in formal courses. Stipends provided to students from this fund shall be used to support fees, tuition, books, transportation, and living expenses abroad.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the Vice President of Agricultural Administration in order to carry out the desire of the donors.

\$60,000.00

**The Alice and Carolyn Bierce Thomas Critical Difference
for Women Re-Entry Scholarship Fund**

The Alice and Carolyn Bierce Thomas Critical Difference for Women Re-Entry Scholarship Fund was established February 29, 1996, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from Carolyn B. Thomas (B.S. Social Administration '49; Masters Social Administration '52), of Newtonville, Massachusetts and her mother, Alice B. Thomas of Akron, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide scholarships for women at the undergraduate or graduate level who have interrupted their education to meet other responsibilities and are in need of financial support to re-enter the educational process.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.

\$66,156.96

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Thelma Ross Scholarship Fund

The Thelma Ross Scholarship Fund was established February 29, 1996, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from trusts established by Thelma Ross (B.S.Ed. '23), of Palm Beach, Florida.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide one or more merit scholarships for Thelma Ross Distinguished Scholars, Medalist Scholars and/or University Scholars. Students shall be selected based upon the criteria sanctioned by the Senior Vice President for Academic Affairs and Provost and administered by the University Honors Center in consultation with the University Committee on Student Financial Aid.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson or program administrative officer in order to carry out the desire of the donor.

\$49,599.83

The Patricia A. Robinson Athletic Scholarship Fund

The Patricia A. Robinson Athletic Scholarship Fund was established February 29, 1996, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from Patricia A. Robinson of Troy, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to supplement the student-athlete grant-in-aid scholarship costs of student athletes who are pursuing undergraduate degrees at The Ohio State University. The recipients will be chosen by the Director of Athletics in consultation with the University Committee on Student Financial Aid.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donor.

\$47,805.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The Allen W. Hall Endowed Sports Dentistry Award Fund

The Allen W. Hall Endowed Sports Dentistry Award Fund was established February 29, 1996, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from the Allen W. Hall Sports Dentistry Award Fund and from family, friends and alumni.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide a suitable award to senior dental students who have participated in the Sports/Dentistry program in association with the Department of Athletics.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson or program administrative officer in order to carry out the desire of the donors.

\$25,215.87

The Ed Johnson Scholarship Fund

The Ed Johnson Scholarship Fund was established February 29, 1996, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from Ed Johnson (B.S.Agr. '59).

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to award one or more scholarships of a minimum of \$1,500.00 to a current 4-H or FFA student. The student is to be enrolled as an entering freshman at The Ohio State University, Columbus Campus, with a preferred, but not limited to, major in Agricultural Communication or Agribusiness and Applied Economics. The Student must be in the upper one-third of their high school class and have a record showing leadership, citizenship, and community service. Selection shall be made by the Assistant Dean, Student Affairs, College of Food, Agricultural and Environmental Sciences in consultation with the University Committee on Student Financial Aid.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the Dean of the College of Food, Agricultural and Environmental Sciences in order to carry out the desire of the donor.

\$25,000.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION

ESTABLISHMENT OF NAMED ENDOWED FUNDS

The George W. Hendrix and Elizabeth L. Hendrix
College of Humanities Scholarship Fund

The George W. Hendrix and Elizabeth L. Hendrix College of Humanities Scholarship Fund was established February 29, 1996, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from Mrs. Elizabeth Hendrix and the estate of George W. Hendrix (B.S.Bus.Adm. '29). This fund is established in memory of the parents of George W. Hendrix and Elizabeth L. Hendrix, namely, J. Clifford Hendrix and Lou Etta Hendrix, and Herman D. Lowe and Zilah Kays Lowe, respectively.

The annual income shall be used to provide merit based scholarships for students pursuing undergraduate degrees in the College of Humanities at The Ohio State University. Recipients will be selected by the Dean of the College of Humanities and/or his or her designees in consultation with the University Committee on Student Financial Aid.

\$432,023.47

The George W. Hendrix and Elizabeth L. Hendrix
Mechanical Engineering Scholarship Fund

The George W. Hendrix and Elizabeth L. Hendrix Mechanical Engineering Scholarship Fund was established February 29, 1996, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from Mrs. Elizabeth Hendrix and the estate of George W. Hendrix (B.S.Bus.Adm. '29). This fund is established in memory of the parents of George W. Hendrix and Elizabeth L. Hendrix, namely, J. Clifford Hendrix and Lou Etta Hendrix, and Herman D. Lowe and Zilah Kays Lowe, respectively.

The annual income from this fund shall be used by the Department of Mechanical Engineering to provide scholarships for deserving undergraduate Mechanical Engineering majors. Students selected as George W. Hendrix and Elizabeth L. Hendrix Scholars will be eligible for renewal pending review of their academic progress. The Chairperson of the Department of Mechanical Engineering will be responsible for administering these scholarships in consultation with the University Committee on Student Financial Aid.

\$432,023.47

The George W. Hendrix and Elizabeth L. Hendrix
College of Medicine Scholarship Fund

The George W. Hendrix and Elizabeth L. Hendrix College of Medicine Scholarship Fund was established February 29, 1996, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from Mrs. Elizabeth Hendrix and the estate of George W. Hendrix (B.S.Bus.Adm. '29). This fund is established in memory of the parents of George W. Hendrix and Elizabeth L. Hendrix, namely, J. Clifford Hendrix and Lou Etta Hendrix, and Herman D. Lowe and Zilah Kays Lowe, respectively.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

The George W. Hendrix and Elizabeth L. Hendrix
College of Medicine Scholarship Fund (contd)

The annual income shall be used to provide one or more scholarships to students enrolled in the College of Medicine. Selection of the recipients shall be made at the recommendation of the Dean of the College of Medicine in consultation with the University Committee on Student Financial Aid.

\$432,023.47

The George W. Hendrix and Elizabeth L. Hendrix
Electrical Engineering Scholarship Fund

The George W. Hendrix and Elizabeth L. Hendrix Electrical Engineering Scholarship Fund was established February 29, 1996, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from Mrs. Elizabeth Hendrix and the estate of George W. Hendrix (B.S.Bus.Adm. '29). This fund is established in memory of the parents of George W. Hendrix and Elizabeth L. Hendrix, namely, J. Clifford Hendrix and Lou Etta Hendrix, and Herman D. Lowe and Zilah Kays Lowe, respectively.

The annual income from this fund shall be used by the Department of Electrical Engineering to provide scholarships for deserving undergraduate Electrical Engineering majors. Students selected as George W. Hendrix and Elizabeth L. Hendrix Scholars will be eligible for renewal pending review of their academic progress. The Chairperson of the Department of Electrical Engineering will be responsible for administering these scholarships in consultation with the University Committee on Student Financial Aid.

\$432,023.46

The William R. Bennett - Vision Service Plan Chair Fund
in Business Practice Management in the College of Optometry

The William R. Bennett - Vision Service Plan Chair Fund in Business Practice Management in the College of Optometry was established February 29, 1996, by the Board of Trustees through funds received by the University from The Ohio State University Foundation, which has established an endowed fund with gifts from the Vision Service Plan, Northeastern Region.

VSP was established in 1967 by a group of Ohio optometrists with William R. Bennett serving as its President. Together they founded the first system of pre-paid vision care for the group market in Ohio under the name of Ohio Vision Service, later named Vision Service Plan. Bill served as President of Vision Service Plan through 1994, establishing programs in an eight state area. Through his careful guidance, innovation and leadership, Vision Service Plan has become the major provider of eye care insurance in the United States.

When fully funded, the annual income from this endowed gift shall be used to support The William R. Bennett - VSP Chair in Business Practice Management within Optometry. Any

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

ESTABLISHMENT OF NAMED ENDOWED FUNDS (contd)

**The William R. Bennett - Vision Service Plan Chair Fund
in Business Practice Management in the College of Optometry (contd)**

individual appointed in the future to this distinguished chair should have an exemplary background in business principles and practice as they would relate optimally to independent professional practice. As part of this appointment, the chairholder will be involved in forming a business or financial plan for each optometry student for passage through their curriculum with emphasis on the best business practice strategies upon graduation and to direct them toward a successful entry into independent professional practice. Until this fund reaches its fully funded level as a chair, annual income will be used to retain the services of lecturers to enhance basic business skills within the optometry profession.

Appointments to this Chair may be made on a visiting or term basis, and may be full or part-time. Only one individual may hold this title at any time, however. Any unused income shall be applied to the principal.

\$250,000.00

CHANGE IN DESCRIPTION OF NAMED ENDOWED FUND

The Bank One Fund for Student Excellence and Leadership

The Bank One Fund for Student Excellence and Leadership was established October 6, 1995, by the Board of Trustees through funds received by the University from The Ohio State University Foundation which has established an endowed fund with gifts from Bank One, Columbus, N.A. The description was revised February 29, 1996.

The annual income shall be used to provide one or more full tuition scholarships (with stipend, as appropriate) for MBA students in the Fisher College.

The college will meet annually with Bank One officials to define the characteristics of the student profile necessary to be considered for a scholarship and the availability of an internship as part of the scholarship package. Recipients shall be recommended by a college committee (led by the academic director of the MBA program) in consultation with the University Committee on Student Financial Aid to the dean for formal approval.

Upon motion of Mr. Colley, seconded by Mr. Shumate, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

Mr. Colley:

I would now like to call on Mr. Nichols for the Treasurer's Report.

TREASURER'S REPORT

Mr. James Nichols:

Thank you, Mr. Chairman. This Endowment report is for the period January 19 through February 16. The market value of the Endowment on February 16 was \$627.1 million. This is another all time high and makes 10 of the last 11 months that we have been in that category. This is a \$26.2 million increase through the year. During the month, the market value of the equity portion increased \$25.5 million, a 6.4 percent move in four weeks, which is the largest that we have ever experienced. The fixed income decreased \$1.4 million during the period and new additions total \$900,000.

Since July 1, the Endowment Fund has increased \$71.4 million, including net new additions of \$20.7 million. The current asset allocation is 67 percent in equities, 22 percent in fixed, 7 percent in real estate, and 4 percent in cash.

The Investments Committee also heard the Quarterly Endowment Investment Report for December 31. The total Endowment rate of return was 9.2 percent, out performing the Lehman Government Bond Index but trailing the S&P 500. During the 10-year period, ending June 30, the Endowment's market value per share increased 70 percent, while the Higher Education Price Index increased only 52 percent.

The Endowment will distribute a little over \$26 million to its over 2,300 funds during this Fiscal Year. The Committee also discussed Endowment land planning.

That concludes my report, Mr. Chairman.

Mr. Colley:

Mr. Chairman, that concludes the report of the Investments Committee.

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REPORT ON RESEARCH FOUNDATION

Mr. Celeste:

Prior to calling on Dr. Hayes to present the Research Foundation Report, I would like to make mention that pursuant to our resolution, which we passed in December, the Research Park Corporation has been established. Members of its board have been selected and the first meeting will be tomorrow morning, at an office near the Research Foundation. We have an exciting group of folks and I think it will be a terrific board. We look forward to reporting its progress to you as it meets. Right now, I would like to call upon Dr. Hayes to present his report.

Dr. Edward Hayes:

Thank you, Mr. Celeste. A copy of the Report of the January 1996 Grants and Contracts of The Ohio State University Research Foundation is at your places. Expenditures from external sources are shown under Tab 1. They are below last year by 6.8 percent for a total of \$95.7 million in expenditures through January 31, 1996. About 4 percent of this reduction is due to a technical change in how the Department of Labor is paying for one of the subcontracts under our project.

REPORT ON RESEARCH FOUNDATION (contd)

Dr. Hayes: (contd)

So it is not a reduction of actual expenditures on the campus, but money that normally leaves the campus to support components of that project. The rest is due to the impact of uncertainties with the federal budget.

Awards for the year are in excess of \$93 million. This is 14.9 percent below the July to January time period last year. A summary of the award totals is given in the second section of the report.

Also at your places is a table -- it is not intended to be an eye test -- with a summary of what the situation is at the other CIC institutions. We have been in contact with the other senior research officers at all of the CIC institutions, and they're basically experiencing the same kind of impact. The table gives you detailed information on award dollars and the numbers of awards, and there are two histograms on the back, one for award dollars and the other for numbers of awards. Basically everybody is experiencing this kind of difficulty.

The one exception that I would call to your attention is in the case of one of the universities up north. Their NIH support looks particularly good during this period, but that is due to a single award of \$26 million from the NIH. If you subtract that award out, all of the CIC institutions look pretty much the same as a result of the government shut down and the delay of funding actions.

Listed under Tab 3 are three projects highlighted that cover a broad range of scholarly research. The Ohio State University Extension has received funding from the Ohio Department of Human Services to provide nutrition and education to food stamp participants. Professor Arnold Mokma, from the Agricultural Technical Institute, received funding from the Department of Education, to demonstrate an innovative set of practices and integrated academic and vocational education at three Ohio correctional institutions.

The Department of Sociology received a four-year renewal grant from the National Heart Lung and Blood Institute. This study will advance our understanding of the manner in which behavioral stress, reproductive hormones, and psychological characteristics impact lipid metabolism to alter the risk for coronary heart disease.

Under Tab 4 is a complete list of new awards received in January of this year.

This concludes my report, Mr. Celeste. A motion to accept the awards would be appropriate at this time.

REPORT OF RESEARCH CONTRACTS AND GRANTS

Resolution No. 96-102

Synopsis: The reports on research and other sponsored program contracts and grants and the summary for January 1996 are presented for Board acceptance.

WHEREAS monies are solicited and received on behalf of the University from governmental, industrial, and other agencies in support of research, instructional activities, and service; and

WHEREAS such monies are received through The Ohio State University Research Foundation:

February 29, 1996 meeting, Board of Trustees

NOW THEREFORE

REPORT OF RESEARCH CONTRACTS AND GRANTS (contd)

BE IT RESOLVED, That the research agreement between The Ohio State University and The Ohio State University Research Foundation for the contracts and grants reported herein during the month of January 1996 be approved.

Upon motion of Mr. Celeste, seconded by Mr. Brennan, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

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FISCAL AFFAIRS COMMITTEE REPORT

Mr. Shumate:

Our Committee met earlier today and received a report from Dean Nancy Zimpher and Vice President Virginia Trethewey on the proposal to approve the formation of corporations for the Reading Recovery Program. This item will be presented to the Board next month for adoption.

At this time, I would like to call upon Vice President Shkurti to report to the Board on Revenue Benchmarks and the Preliminary Recommendation on Tuition and Fees.

**REPORT ON REVENUE BENCHMARKS AND
PRELIMINARY RECOMMENDATIONS ON TUITION AND FEES**

Mr. William Shkurti: [overhead presentation]

Thank you, Mr. Chairman. It is that time of year when our budget process starts to rumble forward. I will begin today, as Mr. Shumate mentioned, with some benchmarking on revenues and recommended levels of tuition. I will be referring to a report that is in your Board books dated February 29, that has some statistical comparisons I think you will find useful.

As Mr. Shumate mentioned, the purpose of this report is to make some financial comparisons to evaluate the university's overall context in terms of our revenues and also to give us a sense, strategically, of where we hope to go in terms of using those revenues. Before I get started, I would like to point out that the information in this report was compiled by the Office of University Resource Planning and Institutional Analysis, and includes the best data sets available in higher education. Those are based on self-reported data from the various institutions -- and we all subscribe to generally accepted accounting principles -- but there are some differences in reporting that need to be taken into account as we look at this data.

The first revenue benchmark that I would like to point out is on page three and is a table that we do annually that compares annual resident undergraduate fees at OSU with sixteen pure institutions. This list of sixteen was developed by Provost Sisson and myself, and the faculty call it the "Sisson/Shkurti Sweet Sixteen." It represents the other public comprehensive research institutions. The list shows that Ohio State's annual tuition for the regular three-fourths is \$3,273 a year, 9.6 percent below the average for all of those peer institutions.

**REPORT ON REVENUE BENCHMARKS AND
PRELIMINARY RECOMMENDATIONS ON TUITION AND FEES (contd)**

Mr. Shkurti: (contd)

If you turn to page four, we show how these figures have changed over time, particularly the last five years. A relatively high number among the sixteen means high tuition, a low number means relatively low tuition. As you can see, our resident undergraduate tuition, when compared to these institutions, has actually declined over the last five years, as has our non-resident undergraduate tuition. Our non-resident graduate tuition, on the other hand, is very high compared to these other institutions.

The next table, page five, compares OSU's tuition with the other thirteen Ohio public-assisted universities for the annual resident undergraduate fees. In this case, it shows where ten out of the thirteen universities are 8 percent below the average for the state, and I'll come back to that in a minute. That standing, by the way, has stayed relatively the same over the last five years.

Another source of our income is not just tuition, but also state support and I have an overhead which will illuminate what is in the chart. It shows what has happened to tuition and other sources of income for OSU's main campus between 1991 and 1996. I think it is important to keep in mind that during this period inflation increased at an average of about three percent a year, and OSU's total revenues increased at an average of about three percent a year -- that's the bar chart on the right-hand side. But our state subsidy -- the very small tiny little block on the left-hand side -- increased at an average of .3 percent a year, yet our student fees increased at an average of a little over 6 percent a year. In other words, student fees went up 20 percent faster than state support for FTE.

One of the questions that I always get is, "Why is your tuition going up twice the rate of inflation?" I think one of the answers is that our overall revenues are going up at just about the inflation rate, but our state support -- because of budget cuts and other reasons -- has not increased as rapidly as we think it should. We have had to make up at least a good portion of that through student tuition. I will be revisiting that issue in a minute as well.

Now let me talk about the implications of these numbers, because it shows that both on tuition and state support -- at least compared to some other institutions and compared to historical comparisons -- we are not doing as well maybe as we might. I think one implication of this -- and it is a good implication, because with low tuition we are providing a first-class education -- is that OSU is a tremendous value for our students and our taxpayers. So we don't think low tuition is bad by itself, it is how it relates to what else is going on.

You will notice on page seven, a chart that compares five Ohio universities regarding academic reputation -- at least as reported in *U.S. News and World Report* -- with their annual tuition and fees. You can see that in this particular chart, that our academic reputation -- and the academic reputation is the national ranking -- is thirty-sixth. It is the highest among these five schools and, in fact, the highest among all of the public universities in Ohio.

**REPORT ON REVENUE BENCHMARKS AND
PRELIMINARY RECOMMENDATIONS ON TUITION AND FEES (contd)**

Mr. Shkurti: (contd)

Our annual tuition and fees -- when compared to these public institutions -- are the lowest. So we have the best reputation for the lowest fees, which is an excellent value for our students. In presenting this chart I do not mean at all in any way to denigrate the education that students get at Miami, OU, Cincinnati or Bowling Green. They are all fine institutions. But one of the values of a degree is the reputation of the institution that goes with it and, in Ohio, that highest value is at Ohio State, even though our tuition is not the highest.

If you turn to the next page, you will see in part how OSU manages to do this, and I think we also have a graphic that shows this. What we have done here is use some standard reports that compare educational or instructional expenditures per FTE with instructional support or non-instructional expenditures per FTE, between OSU and the sixteen peer institutions that I mentioned earlier.

It shows that on instruction we are a little bit below the average of all of those institutions -- about 2.8 percent -- but we are fairly close in our instructional expenditures per FTE. So what this chart tells us is that we have stayed competitive in the classroom on the instructional side. I think that is appropriate to where the University should put its priorities if we have limited funds. But if we have low tuition, our state support has not grown, and we have invested money on the instructional side of what we do, something has to give.

The something that has to give is the kind of support that we provide outside the classroom, for a variety of activities, most of which benefit our students. The kinds of activities that are included in the non-instructional support side in these reports are things such as the administration of student financial aid, the maintenance of our buildings, academic computing support, various student services, recreation, and so forth, and academic and career counseling.

Now the people at this university who work in those areas do a magnificent job with the limited resources that they have. But when you are starting out 34 percent below your competition in a key area, there are just some things that you are not able to do. When we talk about where we need to go strategically and also what we hear from our students in terms of what concerns them, that is an area that we need to focus on. I'll be revisiting that in a minute.

Now the next issue that I would like to address is on page nine and it deals with the way that the State of Ohio has applied tuition caps. Essentially, the tuition caps on resident undergraduate tuition and our increases are limited to 6 percent a year, and that applies to all of the public institutions in Ohio. Although that is fair in the sense that everybody plays by the same rules, the disadvantage that provides to an institution like Ohio State -- who has historically had low tuition -- is demonstrated in the chart on page nine.

If you go to the far right-hand corner, it shows that if everybody raised their tuition 6 percent, for every dollar OSU gets, Ohio University gets \$1.12; the University of Cincinnati gets \$1.20; and Miami gets \$1.47. That is simply because they are starting at a higher base. If we would want someone like that big school up north within our state borders, and if tuition caps applied to them, and if they raised their already high tuition 6 percent, they would get \$1.78 for

**REPORT ON REVENUE BENCHMARKS AND
PRELIMINARY RECOMMENDATIONS ON TUITION AND FEES (contd)**

Mr. Shkurti: (contd)

every dollar that we get. So I think it shows that the way the tuition caps have been applied makes it hard for us to make a dent in terms of the competitiveness of some of the resources that we have generated by tuition.

On page 10 is a narrative that reiterates some of the things that I have already said, so I won't go into those. What I do want to talk just a little bit about is what our recommendations are now for tuition for Fiscal Year 1997. I would stress that these are preliminary, we are not asking the Board to vote on these today because we do need time to let you think about it and also to consult with our students.

Given our current enrollment levels, our levels of state support -- and I pointed out that our state support is growing, but it is not growing as much as some of our peer institutions -- and the level of tuition that we need to support our academic priorities and maintain financial equilibrium, we think the minimum amount necessary just to stay even is 5 percent. The problem is that it would not allow much in the way of service improvements, particularly in services outside of the classroom, for our students.

So what we are recommending this year is similar to what we did last year, which is a tuition increase of 6 percent on the instructional and general fee for all of our undergraduate students. The difference between that five percent that we just need to break even and the six percent -- or the one percent -- we would propose that we do the same thing we did last year, which is set it aside and have a detailed consultation with our students as to how that money can best be used to benefit them directly. We think that process worked well last year.

It is my understanding that Ed Ray gave a report to the Educational Affairs Committee on where the amount of money that was allocated for academic computing went. I think that benefited the students a great deal, and we would like to look at something similar for this year. So we recommend a 6 percent increase for our undergraduate students, a 5 percent base increase for everybody else, and then selective increases as appropriate for some of our professional schools.

In fact if you turn to page 12, there is a table that shows what these recommendations mean. In the case of a resident undergraduate, the quarterly tuition would go from \$1,091 to \$1,156 per quarter or a dollar increase of \$65. Over three quarters, that would be an increase of over \$195 or about 6 percent. As I indicated, those are our preliminary recommendations and we have also laid out the recommendations for graduate students and the non-resident surcharge which is paid by non-residents on top of the resident charges as well.

We have also laid out for you the request that we have received from the different professional schools for tuition increases above 5 percent for them. Remember, they are not covered by the state tuition caps and we've put them here for your information. These are not necessarily the recommendations of the administration. We will come back to you after we have had a chance to discuss this with the students and the colleges involved on recommendations in that area.

**REPORT ON REVENUE BENCHMARKS AND
PRELIMINARY RECOMMENDATIONS ON TUITION AND FEES (contd)**

Mr. Shkurti: (contd)

Now the final issue that I would like to address is the more strategic and long term issues of where we hope to go regarding tuition. On page 13, you will see proposed tuition principles on how we address the issue of tuition and setting tuition at Ohio State University. Again, these are proposed. The idea is to get a dialogue going on campus about what we would try to do.

I want to highlight one or two things. Item number four indicates that we need to address the imbalance between needs and resources at this university and that educational quality is not determined by available resources alone. So we are not proposing that a solution to all of our problems is to throw money at it that we extract from our students. On the other hand, in order to compete effectively with peer institutions and maintain excess for qualified students -- which include scholarship money -- we do need financial resources that would at least get us in and keep us in the ball game.

The other point is there are a number of things we do when we raise tuition -- inevitably most years we have to do that -- that we think protects our students. We think it is important that we recognize that and we deal with it. For example, principle number seven says that: general fund financial aid and graduate assisted fee authorization support increases should be commensurate with general tuition increases. So if tuition for undergraduate goes up 6 percent, we would recommend scholarship funding for undergraduate students go up 6 percent. We protect those students who are least able to pay and that is something that we have done automatically, but we think we need to put it in writing.

The other thing that I would point out on page 14 is a similar statement of principles that came from the University of Wisconsin system. We thought that you might be interested in those for comparison purposes. I could not resist pointing out in a note at the bottom of the table that the State of Wisconsin pays for approximately 65 percent of the cost of their students. Whereas the State of Ohio, through our funding network, pays approximately half. We are grateful for the half that we get, because without it it would not be possible for us to operate. When you compare, for example, tuition between OSU and Wisconsin that is a fair comparison, but Wisconsin is also operating from a much higher level of state support than we are.

On page 15, I have laid out simply the way the budget will be presented to the Board and to the Fiscal Affairs Committee over the spring. The benchmarks on revenue is what we are doing at this meeting; at the next meeting we will be back with some benchmarks on expenditures; and then at the May 3 meeting we will be asking you to approve guidelines on tuition and expenditures as we did last year. At the June 6 meeting we will have more on spending detail, including recommendations as to how we spend the one percent set aside after we consult with our students. Then on July 12, we will be asking you to approve the final budget document in its entirety and give you a strategic assessment and preview as to what we think lies ahead for the next fiscal year.

**REPORT ON REVENUE BENCHMARKS AND
PRELIMINARY RECOMMENDATIONS ON TUITION AND FEES (contd)**

Mr. Shkurti: (contd)

Finally, in the way of a summary, I want to point out -- and I think the data is very clear -- that our undergraduate fees at OSU are significantly below those at comparable institutions. This makes OSU an excellent value for Ohio taxpayers, and we are proud of that, but it also means that OSU does not have the kinds of resources to match our competition, particularly in the area of support services to students outside the classroom. So in order to maintain at least a minimum level of our competitive standing, we need to increase undergraduate instructional and general fees about 6 percent, or about \$195 a year, effective Autumn Quarter 1996, and instructional and general fees for all other students at least 5 percent.

We will use the next 60 days for consultation throughout the campus community and we will return to you in May. With regard to the question of strategically where the university needs to go, we recognize that price is extremely important. We do not want to price students out of access to education at Ohio State. But we are in an environment now where low price by itself is not enough, and the expectation of our students is low price and high quality. We think that is fair, and we think they deserve that. In order to provide that kind of value, we need to have a resource base that is competitive in providing our students the services they feel they need and we feel they need.

Mr. Chairman, that concludes my presentation and I would be glad to answer any questions any of the Board members may have.

Mr. Shumate:

Thank you, Bill. Are there any questions?

Mr. Patterson:

Bill, on page seven where you tied the expenditures to our rankings -- and you were talking about your whole report being a benchmark -- it just seems to me that of all of the things you have given us, that is the most important. I think as Trustees we need to know, perhaps now and in the future, whether this level of funding is going to keep us at, increase our level of ranking, or decrease our level of ranking. We need to get a trend on where we are going on that.

For example, we are using up the maximum -- we are going up to the cap on tuition. It seems to me that we need to know if we are falling behind, or whether we are going to be able to keep pace with that ranking or, as we indicated at our retreat, we want to increase our ranking.

Mr. Brennan:

Is there anybody above the thirty-sixth rank that has less tuition than we do?

Mr. Shkurti:

There are a number of institutions above thirty-sixth that have less tuition than we do and the most obvious example is the University of North Carolina at

**REPORT ON REVENUE BENCHMARKS AND
PRELIMINARY RECOMMENDATIONS ON TUITION AND FEES (contd)**

Mr. Shkurti: (contd)

Chapel Hill. If you take a look at their total revenues, they are way above us because their state support is much higher. If it would be of assistance to the Board, I would be glad to prepare a chart that compares the academic reputation with the overall revenues in spending and also what has happened over time in response to Mr. Patterson's question. This will provide you with a sense of where we are going. I think it is an important question. Of course, we are in a race where other people are not out to do us any favors. If we just stay where we are, it is very possible we could fall behind in the long run.

Ambassador Wolf:

Can you add state support to that, too?

Mr. Shkurti:

Yes, I can. I will be glad to provide that.

Mr. Shumate:

Any other questions? Bill, I assume the one percent tuition set-aside program has been favorably received by students. Is that correct?

Mr. Shkurti:

Mr. Chairman, at least in my perception it has. I have had the opportunity to meet with the Council on Student Affairs and the students on the Senate Fiscal Committee. I have received a very favorable response. I suspect the student trustees, the president, and the vice president for student affairs who interact with students even more than I do, would be able to comment on that as well.

Ms. Smith:

I would just like to say that I think students are very receptive to that. Students are looking to have opportunities outside the classroom, and right now, as Mr. Shkurti has stated, funding is just not available for those things. It is really important that we place the emphasis on the out of the classroom experience because that is how we retain students at Ohio State. So I totally agree, and I think students are very supportive.

Mr. Smith:

I would echo that. I think the process has been received very well. I have had conversations with Bill Shkurti regarding the fact that we will have consultations with students, and I think that they are excited about having that opportunity.

Mr. Shumate:

Great. Any other questions? If not, thank you, Bill, for your report. It was detailed thoroughly and we appreciate that. We look forward to the subsequent reports.

**REPORT ON REVENUE BENCHMARKS AND
PRELIMINARY RECOMMENDATIONS ON TUITION AND FEES (contd)**

(See Appendix XXXIX for background information, page 747.)

Mr. Shumate:

Mr. Chairman, at this time I do have four resolutions that I would like to present for the Board's approval:

WAIVERS OF COMPETITIVE BIDDING REQUIREMENTS

Resolution No. 96-

103

OCTOBER - DECEMBER 1995

Synopsis: Acceptance of the quarterly report on waivers of competitive bidding requirements is proposed.

WHEREAS the Purchasing Policy of The Ohio State University, adopted by the Board of Trustees on September 7, 1984, and revised on February 7, 1992, provides that the President and/or the Vice President for Business and Administration may grant a waiver from competitive bidding in the event of an emergency, when a sufficient economic reason exists, or when the goods or services can be purchased from only a single source, with a report on such waivers to be made quarterly to this Board; and

WHEREAS the Vice President for Business and Administration has submitted a report on waivers of competitive bidding requirements granted for the period of October - December, 1995; and

WHEREAS during the period covered, the Vice President for Business and Administration, at the requests of the departments making the purchases and upon the recommendation of the Purchasing Department, granted 51 waivers of competitive bidding requirements for annual purchases totaling approximately \$3,732,400.00, as shown on the enclosed exhibit:

NOW THEREFORE

BE IT RESOLVED, That the report on waivers of competitive bidding requirements for the period of October - December 1995, is hereby accepted.

(See Appendix XXXX for background information, page 763.)

**EMPLOYMENT OF ARCHITECTS/ENGINEERS AND
REQUEST FOR CONSTRUCTION BIDS**

Resolution No. 96-104

**NORTHWEST PARKING GARAGE EXPANSION
SCHOTTENSTEIN CENTER
BIOTECHNOLOGY SUPPORT FACILITY - HEATING AND ELECTRICAL BACK-UP**

Synopsis: Authorization to employ architectural/engineering firms and request construction bids for the Northwest Parking Garage Expansion and request construction bids for the Schottenstein Center and Biotechnology Support Facility Heating and Electrical Back-up projects is proposed.

WHEREAS the College of Business complex will create an increased demand for faculty, staff and visitor parking in the central campus area; and

WHEREAS it has been determined to expand the existing Northwest Parking Garage by constructing approximately an 800 space, six level parking structure containing office and commercial shell space; and

WHEREAS the total estimated project cost is \$11,700,000 and the total estimated construction cost is \$9,400,000, with funding provided from future University bond proceeds with debt service being paid by the Division of Traffic and Parking; and

WHEREAS the Department of Athletics desires to proceed with the construction of the Schottenstein Center to house various sports programs; and

WHEREAS the estimated project cost is \$84,526,042 and the total estimated construction cost is \$71,600,000, with funding provided by House Bill 790 (\$15,000,000), future University bond proceeds (\$35,000,000), and gifts (\$34,526,042); and

WHEREAS the Biotechnology Center desires to proceed with the installation of back-up heating and electrical systems in the Biotechnology Support Facilities; and

WHEREAS the total estimated project cost is \$265,000 and the total estimated construction cost is \$228,250, with funding provided by a Board of Regents grants:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Vice President for Business and Administration be authorized to select qualified architectural/engineering firms as necessary for the Northwest Parking Garage Expansion project and that the fees for these services be negotiated between the firms selected and the University; and

BE IT FURTHER RESOLVED, That the President and/or Vice President for Business and Administration be authorized to request construction bids for the Northwest Parking Garage Expansion, Schottenstein Center and Biotechnology Support Facility - Heating and Electrical Back-up projects in accordance with established University and State of Ohio procedures, and if satisfactory bids are received, to recommend the award of contracts or to issue contracts as appropriate with all actions to be reported to this Board at the appropriate time.

(See Appendix XXXXI for maps, page 765.)

SALE OF REAL PROPERTY

Resolution No. 96-

105

2.62 ACRES ON SAWMILL ROAD, COLUMBUS, OHIO

Synopsis: Recommendation of the sale to the City of Columbus of approximately 2.62 acres of land on the east side of Sawmill Road for the widening of that road is proposed.

WHEREAS The Ohio State University owns a tract of land consisting of approximately 2.62 acres running along the east side of Sawmill Road north of the intersection of Case Road and continuing north to the north boundary of the University's property; and

WHEREAS the City of Columbus desires to purchase this property for the widening of Sawmill Road as a part of the FRA Sawmill Road/West Case Road Improvement Project; and

WHEREAS, Marjorie Umbstaetter has a life estate interest in .055 acres of the 2.62 acres; and

WHEREAS based on appraisals done for the City and University, the value of this property is \$190,456, and the City is willing to purchase the property for this amount; and

WHEREAS the appropriate University offices have determined that this sale is in the best interest of the University:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Vice President for Business and Administration be authorized to sell all of the University's right, title and interest in this property to the City of Columbus, for no less than \$190,456, upon such terms and conditions as are deemed to be in the best interest of the University, subject to authorization by the Ohio General Assembly and approval by the Federal Aviation Administration, and to pay Marjorie Umbstaetter a portion of the purchase price that reflects the value of her life estate interest.

(See Appendix XXXXII for background information and map, page 769.)

EASEMENTS

Resolution No. 96-

106

CITY OF MARYSVILLE - SANITARY SEWER IMPROVEMENTS, MILFORD AVENUE;
HOLMES-WAYNE ELECTRIC COOPERATIVE - ELECTRICAL SERVICE,
OHIO AGRICULTURAL RESEARCH AND DEVELOPMENT CENTER, WAYNE COUNTY;
COLUMBIA GAS OF OHIO, INC. - GAS PIPELINE SERVICE,
EDISON JOINING TECHNOLOGY CENTER;
METROCOMM AXS -
FIBER OPTIC CABLE, 2470 NORTH STAR ROAD; AND
OHIO BELL TELEPHONE COMPANY - TELEPHONE SERVICE,
OHIO AGRICULTURAL RESEARCH AND DEVELOPMENT CENTER, JACKSON COUNTY

Synopsis: Authorization to grant easements on Milford Avenue, Marysville, Ohio; Ohio Agricultural Research and Development Center, Wayne County; Edison Joining Technology Center; 2470 North Star Road; and Ohio Agricultural Research and Development Center, Jackson County is proposed.

February 29, 1996 meeting, Board of Trustees

EASEMENTS (contd)

WHEREAS the City of Marysville has requested a 25-year easement consisting of a strip of land approximately 30 feet in width and approximately 85 feet in length for construction of sanitary sewer improvements to the University's Veterinary Clinic facilities located at 1018 and 1050 Milford Avenue; and

WHEREAS the sanitary sewer improvements will benefit the University; and

WHEREAS the Holmes-Wayne Electric Cooperative has requested a 25-year easement consisting of a strip of land approximately 30 feet in width and approximately 5,288 feet in length for providing electric service to facilities at the Ohio Agricultural Research and Development Center in Wayne County; and

WHEREAS the electric service will serve University property; and

WHEREAS Columbia Gas of Ohio, Inc. has requested a 25-year easement consisting of a strip of land approximately 20 feet in width and approximately 1,420 feet in length for installation of a gas pipeline service to the Edison Joining Technology Center located south of Lane Avenue and west of Carmack Road; and

WHEREAS the gas pipeline service will benefit the University and future Research Park tenants; and

WHEREAS the MetroComm AxS has requested a 15-year easement consisting of .286 acres of land; one tract of land being ten feet in width and approximately 413 feet in length for the installation of overhead wires; the other tract being approximately ten feet in width and approximately 941 feet in length for installation of underground fiber optic cables; both tracts leading into 2470 North Star Road; and

WHEREAS this easement will benefit the University; and

WHEREAS the Ohio Bell Telephone Company has requested a 15-year easement consisting of a strip of land ten feet in width and approximately 1,725 feet in length for the purpose of installing telephone service across the frontage of Ohio Agricultural Research and Development Center's farm operations in Jackson County, Ohio; and

WHEREAS this easement will serve University property and private property and the Ohio Bell Telephone Company will compensate the University with a lump sum payment of \$625.00 in consideration of the granting of this easement; and

WHEREAS the appropriate University offices have recommended the approval of these easements:

NOW THEREFORE

BE IT RESOLVED, That the Vice President for Business and Administration be authorized to request the Deputy Director of Public Works of the Department of Administrative Services, pursuant to his statutory duties, to act for and on behalf of the University in developing the necessary legal instruments to provide for these easements.

(See Appendix XXXXIII for maps, page 773.)

Upon motion of Mr. Shumate, seconded by Mr. Brennan, the Board of Trustees adopted the foregoing resolutions by unanimous roll call vote, cast by Messrs. Wexner, Shumate, Celeste, Colley, Skestos, Brennan, Patterson, Sofia, and Ambassador Wolf.

February 29, 1996 meeting, Board of Trustees

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Thereupon the Board adjourned to meet Wednesday, April 3, 1996, at The Ohio State University Fawcett Center for Tomorrow, Columbus, Ohio.

Attest:

Robert M. Duncan
Secretary

Milton A. Wolf, Ph.D.
Chairman